

Cryptocurrencies - Aware, But Outside Our Circle of Competence

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Cryptocurrencies, also known as coins, are digital currencies. Unlike traditional currencies, a central government does not control them. A process called mining determines the supply of Bitcoin. Through this process,

computers compete against each other to solve mathematical equations. They collect bitcoins as a reward if they are the first to create a new valid block. Blocks are data files on the Bitcoin network that are permanent. Once recorded, each transaction is forever documented, leaving a perfect trail of ownership. A bitcoin block today contains more than 500 transactions on average.

Many cryptocurrencies rely on blockchain technology. A blockchain is a list of transactions that anyone can view and verify. Blockchains are the blocks mentioned above linked together. The Bitcoin blockchain holds a record of each time someone sends or receives that bitcoin. The list of transactions is foundational because it ensures secure payments between users. The blockchain eliminates the need for a bank or another third party to verify the payment. Every transaction through Bitcoin gets published without exception. This means no manipulating transactions, changing the money supply, or adjusting the rules.

The inability to change the supply of bitcoins is one of the main arguments for those bullish on bitcoin. Central banks around the world print trillions of dollars each year. This could lower the value of a currency. The fixed supply of bitcoin does not permit these currency eroding events. Thus far, 18.7 million out of a total of 21 million bitcoins exist in the digital world. That leaves 2.3 million bitcoins left that are not yet mined.

The decision to “invest” in Bitcoin or other cryptocurrencies is one that we have chosen to pass on. We choose to focus on cash-flowing businesses. An asset that can go up or down 20% from a tweet is not an area of our interest. Imagine going to a car dealership with the expectation of paying one bitcoin (\$50,000) for a new car. You leave your house, take a test drive, and agree on a price. In that time, someone may post something, and now instead of bitcoin priced at \$50,000, it is priced at \$40,000. That car costs 1.25 bitcoins instead of 1.

There are currently over 4,000 cryptocurrencies in existence. Determining which one gets adopted, if any, is likely an impossible challenge. We stick to purchasing companies that we understand and can value. We are comfortable leaving this emerging asset class to others.

Upcoming Events

O’Keefe Stevens Advisory Value Conversation Quarterly Call Q4 2021

Date: Wednesday, October 13th, 2021

Time: 4:00 PM ET

Registration: Visit www.okeefestevens.com, click on the Resources tab, then click on Upcoming Events. To view recordings of previous calls, please visit our website, click on the Resources tab, then click on The Value Conversation Quarterly Call.

How to Figure Out How Much You Need to Retire

Date/Time: Thursday, July 22nd, 2021 at 9:00 AM ET

Date/Time: Tuesday, August 17th, 2021 at 4:00 PM ET

Date/Time: Tuesday, September 21st, 2021 at 12:00 PM ET

Registration: Email Carly Flanigan at carly@okeefestevens.com.



O'KEEFE STEVENS
ADVISORY, INC.

O'Keefe Stevens Advisory Fact Sheet

as of 6/30/21

Our mission is to be responsible stewards in our clients' financial lives.
Our objective is to seek long-term growth of capital.

Portfolio Managers

Peter O'Keefe, CFP
Chief Investment Officer
41 Years of Investment Experience

Justin Stevens, CFP
President
12 Years of Investment Experience

Portfolio Facts

Founding Date April 1, 2017

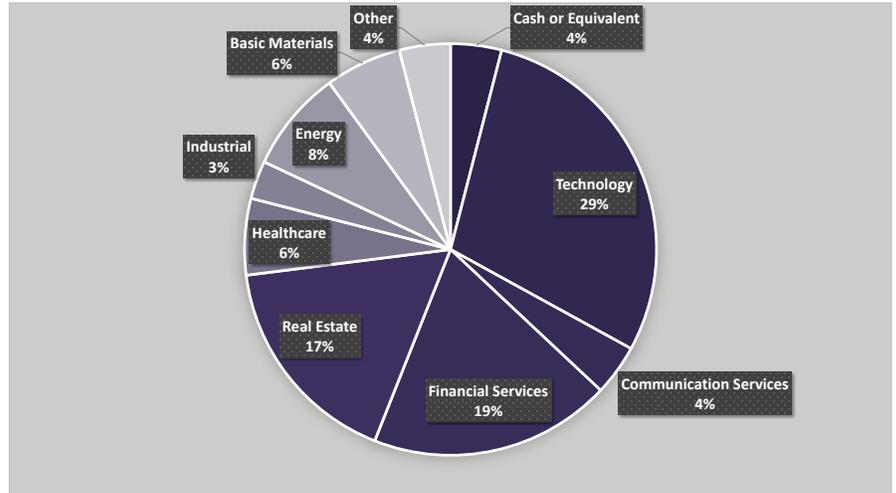
Top 10 Positions 54% of portfolio

Total Assets Under Management \$233 M

Investment Style

We are long-term, patient, and active value investors. Value investing is the discipline of buying securities at significant discounts from their current underlying values and holding them until more of their value is realized. This usually means owning investments that are out of favor, such as companies with disappointing short-term earnings or weak economic conditions within their industry or region. As value investors, we are primarily attracted to asset oriented securities trading at low prices compared to their underlying book value, replacement costs, or liquidating values; especially those that generate significant free cash flows. We believe by following this strategy we are buying assets at significant discounts. Our goal is to earn satisfactory real returns on investment, and we are not concerned with the relative performance of our investments in the short term. We are open to investing in all aspects of the institution's capitalization, but primarily buy equity for its liquidity and growth characteristics.

Portfolio Composition



Top Ten Holdings

Description of Asset	Percent of Market Value
Nvidia (NVDA)	15.83%
Qualcomm (QCOM)	6.25%
Corning (GLW)	4.74%
Amgen (AMGN)	4.70%
Investor AB (IVSXF)	4.30%
Loews Corp (L)	3.88%
Discovery (DISCK)	3.78%
Five Point Holdings (FPH)	3.77%
Weyerhaeuser (WY)	3.54%
Kimco Realty (KIM)	3.39%
Total	54.18%

Second Quarter 2021 Investment Highlights

Qualcomm (QCOM) – The Federal Trade Commission formally ended their four year anti-trust suit against Qualcomm.

Discovery (DISCK) – AT&T agreed to merge its Warner Media assets with Discovery.

Federal National Mortgage (FNMA) – The U.S. Supreme Court ruled that the Federal Home Finance Agency structure is unconstitutional. However, the Net Worth Sweep was not overturned.

Kimco Realty (KIM) announced a strategic merger with Weingarten Realty (WRI) creating an enterprise with 559 properties.

Nvidia (NVDA) announced a 4-for-1 split effective 7/20/21.